GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1356
ANSWERED ON:07.03.2008
SIMPLIFICATION OF DIRECT TAX LAWS
Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to amend Direct Tax laws to reduce mounting arrears of direct and indirect tax revenues;

(b) if so, the details thereof; and

(c) the quantum of direct and indirect taxes demand under litigation and efforts made to recover the dues?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): There is no proposal to amend Direct Tax Laws to reduce mounting arrears of either direct or indirect tax revenues.

(c): The demand of direct taxes under litigation as on 31.1.2008 is Rs.72,986 crores whereas in case of indirect taxes, the same is Rs.21668.77 crores.
The following special measures are being taken to expedite recovery of tax arrears:

(i) Recovery of arrears in large cases is being monitored by a Task Force headed by each Chief Commissioner of Income Tax/Director General of Income Tax, as the case may be.

(ii) Cases involving substantial amount of arrears pending before Commissioners (Appeals) and ITAT have been identified. These authorities have been requested to dispose off such appeals early so that the demand can be collected during the current financial year itself. Special efforts are also being taken to expedite the hearing of cases locked up in High Courts and the Supreme Court.

(iii) Chairman and Members of the Central Board of Direct Taxes are also regularly reviewing the position in regard to outstanding demand and providing suitable guidance and directions to the field formations.

(iv) Immediate realization of unfettered arrears.

(v) Filing of applications for stay vacation/early hearing in Courts/CESTAT in important cases.

(vi) Timely disposal of all adjudication cases pending at the level of Commissioners.

(vii) Quick implementation of favourable orders of CESTAT/Courts.

(viii) Posting the list of defaulters on the CBEC website to enable all the field officers to browse the website in connection with recovery action at their end.